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FISCAL IMPACT REPORT

SPONSOR Sandoval DATE TYPED 02/08/05 HB 484
 SHORT TITLE INCOME TAX CONTRIBUTION TO NATIONAL GUARD SB _____
 ANALYST Padilla-Jackson

REVENUE

| Estimated Revenue | | Subsequent Years Impact | Recurring or Non-Rec | Fund Affected |
|-------------------|--------|----------------------------|-------------------------|---------------------------------|
| FY05 | FY06 | | | |
| \$11.0 | \$22.0 | | Recurring | Veterans' Service Department |

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 484 adds a new section to the Income Tax Act to allow an individual to designate a portion of their income tax refund to be contributed for assistance to members of the New Mexico National Guard activated for service in the global war on terrorism and to their families.

The bill also adds a new section to the Tax Administration Act to provide a distribution to the Secretary of Veteran's Services in an amount equal to the money designated pursuant to the Income Tax Act (above).

The provisions of this bill, if passed, would be applicable to taxable years beginning on or after January 1, 2005.

FISCAL IMPLICATIONS

According to TRD analysis, the total fiscal impact is estimated to be \$22 thousand in FY06. They note that the FY05 year impact is assumed to be 50 percent of the recurring impact. TRD notes that this estimate is the approximate average of tax year 2003 tax return contributions to

the Forest Re-Leaf Program, the Share with Wildlife program, the Veterans Cemetery Fund and the Substance Abuse Fund.

ADMINISTRATIVE IMPLICATIONS

Minor administrative impacts to TRD

TECHNICAL ISSUES

The bill provides no instruction to Veteran's Service Department on how contributions should be distributed to guard members and families.

OPJ/yr